INSTITUTIONAL READINESS - CASE, NEEDS AND GOALS

by

Henry A. Rosso

I. What is meant by "Case"?

A. Case is related to the cause

1. Charitable causes come into being because problems, needs exist in society. An individual or a group of individuals forms an organization, or formulates a program to solve problems or to resolve the needs.

2. Worthiness of the cause should be related to its capacity to solve the problems it was organized to solve, or to adjust its focus and problem-solving capabilities in accordance with changing market or societal conditions.

3. Cause is further measured by the degrees of its relevance, importance, and urgency. Harold J. Seymour expresses it this way: [1]

- a cause should be relevant to some major public need or problem of today and relevant also to the personal interest, loyalties or concerns of its natural constituencies.

- a cause today should have a clear image of importance ... both in its own field and within its sphere of influence.

- any public cause today must establish and maintain the image of genuine urgency.

4. The case is the expression of the cause, or all of the reasons why anyone should contribute to the support and/or advancement of the cause.

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[1] Seymour, Harold J. Designs for Fund-Raising. New York: McGraw-Hill Book Co., Inc. 1966.

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a. The case is bigger than the organization's needs, bigger than the organization itself. The case is described in a document known as the case statement.

b. The case statement is not a brochure, or a printed sales piece. It is a "data base", a "copy platform", a resource document, a compilation of information pertaining to the organization. Informational material for all printed documents, speech text, presentations, grant applications is drawn from the case statement.

B. The case statement must respond factually, forthrightly to questions that are being asked more frequently by potential giving sources.

Grant application questions!

1. "Does your organization operate in an area of recognized social need or address a recognized social problem? What documented evidence of social need or problem do you represent? Is this evidence subject to independent verification?

2. "Given an acceptable and documented statement of need or problem, does your organization have objectives stated in clear, concise terms which relate directly to the alleviation of the need or resolution of the problem?

3. "Are your objectives stated in a way which will enable a prospective donor to develop some reasonable method to evaluate whether your objectives are met? Are past evaluations available or is an evaluation method presented?

4. "Given a clear and concise statement of objectives, does your organization have a reasonable strategy or special set of tasks it undertakes to reach its objectives within a given period of time?

5. "Does your organization propose a span of time for its program which is appropriate in terms of the tasks it plans to undertake to reach its objectives?

6. "Does your organization operate under a budget which is congruent with the tasks it undertakes? Is the budget sufficiently detailed in terms of dollar allocations for staff, travel, subcontracting expenses, administrative expenses and the like to reach a judgment on its appropriateness?

7. "Does your organization present evidence that it is competent to undertake the program it proposes to undertake?

8. "Does the organization identify the staff it has or proposes to assign to a program and present evidence of the competence of the staff?

9. "Does your organization provide a mechanism for a review and appraisal of its work during the life of the program for which funds are being sought so that the donor may terminate support in case your organization is not completing its tasks or reaching its objectives?" [2]

II. Components of the Case

A. The case statement should constitute an informational backdrop for the organization and should include, in addition to factual answers to the above questions, the following information:

1. An analysis of the organization's service area, or otherwise described as market and market segments.

2. An examination of any significant changes in the market, actual or potential effect of these changes on the organization, analysis of organization's ability to adjust to change.

3. Demographic data drawn from market, if appropriate.

4. Socio/economic indicies of service area or groups.

5. Institutional plans: immediate, short-range, long-range with definable objectives identified with each planning period.

6. Statement of current needs, anticipated future needs expressed in terms of annual operating requirements, special projects, capital and endowment needs.

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[2] Questions that are being asked of grant applicants by foundation officers and corporate officers responsible for reviewing grant applications, according to a paper prepared by William F. McCurdy, President, the Sears-Roebuck Foundation, and Corporate Gifts Officer for Sears-Roebuck and Co., presented at the International Conference of the National Society of Fund Raisers, 1977, in Chicago.

7. Listing of personnel associated with the organization, giving credentials of administrator, staff, program people; biographical backup of trustees, key volunteers.

8. Analysis of giving history for recent past (generally five years) for all purposes.

9. History of organization, highlighting major program accomplishments, significant program contributions designed to alleviated needs.

10. Financial history, past two years; most recent financial statement, budget.

III. Who Prepares the Case Statement?

A. Institutional planning provides the data that comprises the case statement.

1. Sensitive management should encourage market participation in the planning process, thus providing the data input for the case statement.

B. Planning is the continuing valuation and re-evaluation process that endeavors to keep current the organization's responses to the questions:

1. Who are we? Why do we exist? Is what we are doing related to this purpose of existence? Where are we going? How do we intend to get there? If we were to cease to exist, would it make any difference?

2. Planning as an institution's function should seek input from trustees, administrators, staff, consumers, key volunteers, constituency representatives.

a. The nonprofit organization requires timely, accurate adequate information with which to measure market needs, market interest and market responsiveness for planning purposes. Planning is an integral part of a marketing process for nonprofits.

C. Since the case statement will provide rationale and justification for fund raising purposes, it should be prepared by the fund raising specialist, constantly asking and insisting on forthright answers to compelling questions.

IV. How Does the Marketing Process Affect Case Statement Preparation?

A. A market is a distinct group of people and/or organizations that have resources which they want to exchange, or might conceivably exchange for distinct benefits.[3]

1. Organization that takes a marketing view in delivery of services and in preparing for fund raising considers <u>exchange</u> potential.

a. Exchange can be interpreted as "How will it benefit the donor to give?"

b. Exchange benefit will have to be considered from view of various giving categories: corporations, foundations, individuals, families, associations, etc.

2. The marketing process requires study and research to determine:

a. Who are the potential donors?

b. What will they require in the form of exchange?

c. What are their interests, their concerns, their prejudices, their conditioning, their giving patterns?

d. Who makes the decision about giving, and what will affect these decisions? Who are the opinion-makers and what opinions do they hold about this organization?

e. What will stir them to make a gift? What are the motive foces? What are the exchange potentials and how can we emphasize them?

3. Market identification, market definition, data input from market segments will determine final articulation of the case statement:

a. There will be an overall case statement for general guidance.

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[3] Kotler, Philip, <u>Marketing for Nonprofit Organizations</u>, Prentice-Hall, Inc., 1975. Pg. 22.

b. The case statement will have individual articulations to emphasize exchange factors in accordance with the needs, expectation of specific market segments (i.e., foundations, corporations, individuals, etc.)

c. The final statements must be written in clear, concise, simple terms to promote understanding and acceptance, and to promote use in encouraging gifts for the organization.

MANAGING THE DEVELOPMENT FUNCTION

by

Joseph R. Mixer, Ph.D.

"Management" is working effectively for predetermined goals by employing known principles of operation and creating dynamic situations which cause people to act purposefully and beneficially for the agency.

I. Development is an unique function in a social profit agency (or any organization).

   A. Complex relationships:

      1. Externally with volunteers, trustees, clients, the "public" and especially with prospects and donors.

      2. Internally with superior officers, other professional staff, and own staff.

   B. Vitally concerned with and affected by organization's goals and results (services)

      1. Limited control over these key elements

      2. Cost/effective standards being applied more rigorously and frequently

   C. All sides of the fund-raising model (the Cube) are involved

      1. Institutional readiness

      2. Human resources

      3. Markets

      4. Vehicles

   D. Acceptance of the development function:

      1. Often not understood and therefore not accepted by the agency's management, volunteers or clients.

      2. Too often considered as a peripheral function that must operate on its own or with only marginal support from other management offices.

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3. Paradox: development is usually well supported in good times, but cut back or down in difficult times. (Sales department analogy)

4. Fund-raising costs are under attack at local, state, and national levels. Difficult problem for several years resulting in increasing regulation. Contrast a business with costs of 80 - 95% to fund raising which is criticized if higher than 25% cost.

5. Program budgeting is most effective answer within an agency, especially if long-term: 3-5 years.

6. Many chief executive officers do not like to raise money.

7. Development officer's task is to demonstrate the efficient, central role that development plays in organizational growth and autonomy.

8. Acceptance is facilitated by professional stance of fund raisers.

II. The development officer's crucial problem of limited authority coupled with wide responsibility.

A. Little or no control over agency's program, goals or style

B. Must interpret and market your agency and program to all constituencies

C. Must convince and have support of internal staff that development function is being run effectively

D. Must believe in cause and agency's ability to be effective; sincerity and conviction are essential; be constructive and positive or else leave.

III. Key relationships must be created and sustained.

A. Vertically: with chief executive officer and/or intervening supervisor;
with trustees, key volunteers, prospects and donors;
with own staff.

B. Horizontally: with other staff members;
with clients;
with external professionals and concerned groups.

C. Character of relationships:

1. Professional and effective based on knowledge and skill:

a. Keep current with the literature on fund raising
b. Cite examples and figures from other situations which apply to yours
c. Always have a rationale for your actions
d. Qualities of dependability, promptness, and efficiency help establish a professional image
e. A "professional" always sees problems and situations from a perspective and avoids "wallowing" in them

2. Personable and persuasive:

a. Remember, you have to get along with others, not vice-versa
b. Paradox of relationships: keep your "cool" while exhibiting warmth in the relationship
c. Development officers are expected to be assertive and persuasive to a point. Develop powers of observation to guage when the limit is reached in each case, then back off
d. Your volunteers and clients come first at all times. You won't be far behind while observing this rule.

IV. Key aspects or elements of effective management (interpretation and application of chapter on Management Principles for Fund Raisers)

A. Analysis:

1. Know accurately and fully your organization: where it stands, who respects it, what its problems and shortcomings are, where the power lies, and where it is going.
2. Get facts and figures; develop your "cause"
3. Be realistic; get objective viewpoints

B. Planning:

1. There are three plans for every fund-raising situation:

a. Your personal career plan: where you are going, how you can get there, when or by what stages, and at what costs

b. Your private plans for the organization: they are tentative, long-ranged, constantly evolving as new information and events occur. They are private and privileged, but must be ethical and positive.

c. Your public plans for the organization: they are formalized, shorter ranged and more precise. They must be agreed to by all in a systematic fashion which accommodates a wide spectrum of views held by others.

2. All three plans must include dollar objectives, program goals, growth stages, realistic means of accomplishment, and periodic evaluation based on standards and principles.

3. "Realistic Means": Includes effective integration of all elements. In funding programs this means effective synthesis of vehicles, human resources, markets and institutional readiness with adequate management and budget support.

4. Career plans are essential because you must put your job on the line at various points if you are to be successful.

5. Set realistic time tables with key deadlines which are well publicized.

6. Have contingency plans to fall back on just in case!

C. Execution:

1. Allocate and assign responsibility for specific functions and segments of work:

a. For all aspects of your plan ... even if it is to yourself ... put it down.

b. Greatest problem is assumption that someone is going to do something at a particular time in a definite way, when that is not the person's understanding.

c. Get a clear commitment and understanding from all involved as to what will happen when and by whom. Make the time schedule work!

d. Development officers must simplify the process for all concerned. Leave no doubts or mysteries about what will happen, when and why. Take time to explain to all concerned how fund raising works.

2. Create interrelationships:

   a. Linkages and involvement are basic elements of fund raising.

   b. People carry out assignments when they know others are involved, expectations are present, and goals are announced. Personal pride, self respect and prestige are leverages to use.

   c. Make the relationships meaningful:

      1) Something of value for people has to take place at every meeting. Find out what that is for each member or participant. See that the personal rewards and incentives are available.

      2) Study the motivations for fund raising, giving, and participation. Apply them consciously and continually.

D. Control:

   1. Time management:

      a. Personal time management is absolutely essential for success. The heart of good time management is accurate specification of priority tasks and making time for them. Study and follow expert advice in this difficult area. Alan Lakein system is good with its A, B, C classification of tasks.

      b. Top priority must be given to adequate planning, cultivation and enlistment of volunteer leadership, development of the case, and setting up cultivation and solicitation plans for major contributions.

      c. Give top priority to those activities which will lead to an informed person (usually a volunteer) talking with an involved prospect about a valuable program that must be supported. All else is trivia and can be deferred.

      d. Delegate as much of the trivia as you can. Retain control of the key processes and interrelationships, let the rest go.

e. Put your top priorities on display in your office. At the end of each day review what you did or did not accomplish with them. Analyze why the trivia intervened. Displaying your priorities will help focus other peoples' energies toward your goals and serve as a reminder to keep trivia away from you.

2. The next addition to ~~your~~ staff:

   a. The next person hired should increase by three-fourths the amount of time devoted to D.l.c. above. This means that either that person or you can enlarge the critical donor contact time by that amount. If the new staff won't achieve that goal, reevaluate the job description and make it happen. The actual functions will vary from organization to organization depending on needs, prospects and present staff. The most ready market left untapped is where the new time/activity should be scheduled. Do not be blinded by popular trends which don't fit your agency.

   b. Most organizations need money now; plan the new addition to ease that demand. Remember that other staff outside the development office can be very critical of additions without corresponding payoff to the program.

3. Evaluate your performance (as an individual leader and team member)

   a. A realistic assessment is absolutely essential, at least every quarter. Take time to stand off and look at what you are doing just as a disinterested observer would do. Have you planned adequately? Have you worked your plan? What has been the obstacles to success? Can they be removed? Where are the weaker spots? Can they be shored up? Etc., etc.!

b. Every front-line executive has a limited "cycle of effectiveness". The cycle refers to successful projects carried out within a period of time with the same audience. Your "credit" or "welcome" is worn out unless renewed by significant change. Such change is increased level of giving, added power of volunteers, expanded scope of operation or similar readjustment of your personal "power base". Evaluation will help you achieve this change without having to "move on". Volunteers go through this cycle, also.

c. Set up similar, but impartial evaluations of your programs, staff and leadership, etc. Let people know that this is a planned, expected event. Set up the procedure with your chief executive officer since the trustees responsible for development must evaluate volunteer leaders and themselves. To be effective, peers or better must do the evaluating. Your development committee (fund-raising committee) should evaluate the sub-leaders and workers. Your CEO evaluates you and you in turn do the same with your staff.

d. Be flexible about scheduling evaluations. Adapt the timing to the program. A fast-moving campaign cannot depend on a yearly evaluation to correct deficiencies. Also, be flexible about the scope of the evaluation. Not all parts have to be done at the same time or period. The rule of thumb is to schedule as frequently as necessary to provide time for correction to be effective.

E. Professional stance:

1. Insert recognized principles and ethics in your daily activities.

2. Follow and apply intelligently the proven fund-raising principles and techniques in your development program.

3. Assert your views when a wrong course emerges:

   a. Spot poor decisions early and make your position known.
   b. Using examples and interpersonal skills, inform the decision makers of the problems ahead, recommend corrective changes and be persistent. Put your advice and recommendations in writing if you must (when your professional views are not heeded). Put your job on the line in serious cases; if you don't, you may be fired for eventual "failure" anyway.
   c. Most common problems causing wrong decisions:

      1) Poor institutional readiness
      2) Human resources not trained or committed

4. Insist on continual professional growth, training and understanding for all (CEO, volunteers, your staff and yourself) involved in development activities:

   a. Budget time and money for training and instruction.
   b. Schedule retreats for key leaders and staff. Get a block of time to do this training and planning. Coupling both in same period is good technique.
   c. Use both in-house personnel and outside experts depending on the objectives and the problems.

~~In adoption this, the School will use a Cube as its symbol to delineate~~ the five major factors and 26 elements that constitute fund raising, and ~~to represent the~~ dynamic functions that give FIR motion and action. These elements and factors are:-

1. Vehicles for Fund Raising	Annual Giving Direct Mail Capital Campaign The Big Gift Deferred Gift Renewal
2. Program Management	Analysis Planning Execution Control Professional Stance
3. Institutional Readiness	Constituency, Environment Case, Needs and Goals Commitment Communications Stewardship
4. Human Resources	Motivation Volunteerism Leadership ~~Trustee~~ Board of Directors Staff
5. Markets	Individuals Corporations Foundations Government Coordinating Agencies Associations
6. Dynamic Functions	Acceptance of Purpose Validation of Needs Preparation of Plan Selection of Markets Enlistment of Volunteers Action by Group Endeavor

As part of your responsibilities as Chair, you will be expected to give make a lead gift.

C. Motivation during <u>enlistment of leaders and volunteers</u>:

1. Participation is a cost of time, effort and money for a volunteer.
2. Arouse the basic motives by use of illustrations, examples, opportunities, benefits, satisfactions: working with higher status people, potential of power, affiliation, etc.
3. Assess what the person already has and don't try to outbid it unless you really can. A busy person doesn't need to "join" to fulfill an affiliation need; perhaps a cognitive interest will activate him.
4. Use a combination of motives; one is usually not strong enough and will sound unnatural.
5. Build on what interests and concerns a person has; don't try to introduce new ones; wait until he or she is on the board.

D. The Power of <u>group dynamics</u>:

1. Always set goals, quotas and other decision matters in a group context.
2. People reinforce one another -- social imitation and vicarious reinforcement.
3. Decisions are two to ten times stronger.
4. Status and self-esteem are most powerful ingredients.
5. Leadership is a key factor -- sets style of operation, tone and level of aspiration.
6. Group participation allows an individual to determine where he's at in terms of commitment without letting him wander off.
7. Every group has a distinctive character derived from the participants, the problem and the environment. Make the elements serve your purpose by proper mixture and attention to them.
8. Be sure that the parameters of the situation or problem are reasonable and are secure. Flexibility within that framework leads to higher and better commitment: The March of Dimes Study.

E. The power of status:

1. Stratification and status are strong forces in our society.

2. They are maintained and enhanced by value systems and norms.

3. The crossover and downhill principle:

   (a) peers can solicit peers.

   (b) higher can solicit lower; not vice versa. Higher is defined in terms of status and size of gift.

4. The proportionate principle:

   (a) Top (of range or quotas set) gifts from small donors influence or leverage large donor to emulate at their capacity level.

5. The substitution principle:

   (a) The top leader of a school, church or other non-economic organization can solicit the top leader of an economic group. Considered peers but come from different functional groups.

   (b) An expert in knowledge can solicit an expert in business. An expert in the professions can solicit an expert in other fields.

contribution support from a given constituency. This will require greater skill in the use and sophistication of the development portfolio.

II. Annual Fund Development Programs

Programs must be prepared with and for a particular source or public in mind. Describe the public. Why should that particular public be interested in our institution? What distinguishes them from others? What are their interests? How can they most reasonably be related to us?

Begin with those sources you can most easily address and who can most reasonably be related to your organization. The immediate family of Staff members, Governing Board, Alumni or Clients, Related Affinity Groups, Community, Corporate Business/Industry, Foundations, Government, Philanthropic Individuals, etc.

A. Prepare a <u>case statement</u>. For example, why should the church support our program and what will their support mean to us and to them?

B. Identify, recruit and utilize appropriate peer group <u>volunteers</u>.

C. Design a means of <u>communication</u>. How can we inform and interpret our program to this public in order to make them aware, interested in, understand, and become involved in it?

D. <u>Promotion</u> should be consciously structured to move the public toward the objectives we have in mind for them.

THE DEVELOPMENT PROCESS

The Objective	The Process	What is Required
Identify Suspects	List Development	Build lists, identify, research constituency
Convert Suspects into Prospects	Test list effectiveness, identify linkages	Refine prospect development
Convert Prospects into Donors	Build on linkages, test interest, ask, acknowledge	Solicit: Personal visit Telephone Direct Mail Special Event
Convert Initial Giver into Donor of Record	Build on interests and linkages, ask, acknowledge	Report use of gift, invite to renew
Increase the Gift	Research, build on interests, linkages, inform, ask, acknowledge	Report, involve, invite to renew and increase gift; use gift club concept
Secure Special Gift ($1,000 +)	Continue research through linkages, involve, build on interests, ask, acknowledge	Tell about special needs, tell how money is used, solicit personally; invite to gift club membership
Secure Major Gift ($10,000 +)	Use all linkages to validate as major prospect, ask, acknowledge, reward	Involve in institution: planning, case evaluation, need determination, cultivation events, personal letters
Secure Big Gift	Continue involvement through linkages, add to interests, foster desire to give, ask, acknowledge, reward	Report, involve as important advocate, involve through cultivation events, personal reports, personal contacts
Secure the Planned Gift	Continue involvement, create feeling of belonging to, and identification with, institution, foster mutuality of interests	Strengthen linkage, strengthen involvement

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ANNUAL FUND

Get their gift to repeat itself. And get it to increase.

Givers

10% — 60%

20% — 15-25%

70% — Rest 50,000

GIFT RANGE	# GIFTS	PROSPECTS	TOTAL
2500	2	8	
1000	5	20	
500	10	30	
250	20	60	
100	100	200	
	140		30,000
	200		

50-99 — 50 Rest

not getting gifts getting donors.

Take top gift, multiply by 20. 300_{20} 6000

1400 donors can be dev. by direct app.

140 donors

E. A Solicitation method must be selected which will be efficient and effective for that public.

F. Build Acknowledgment systems and procedures which will develop a sustained and growing support pattern. Relate all efforts to objectives of securing new donors of record, renewals and higher gift levels.

III. Annual Fund Development Portfolio

A.	Direct Response:	Mail Advertising
B.	Telephone	
C.	Personal Solicitation:	Staff Volunteers
D.	Campaigns	
E.	Incentive Programs:	Challenge Peer Competition Premiums
F.	Acknowledgment Systems:	Thank You Recognition Confirmation
G.	Pledges	
H.	Gift Clubs	
I.	Media Promotion	
J.	Special Events:	Banquets --- athons Auctions Benefits